

# RAILWAY CONVENTION COMMITTEE (1996)

(ELEVENTH LOK SABHA) ❦

## FIRST REPORT ON

Action Taken by Government on the Recommendations Contained in the  
Tenth Report of Railway Convention Committee (1991) on 'Progress of  
Modernisation Programme in Railways including Energy  
Conservation Measures'

*Presented to Lok Sabha on 17-12-1996.*

*Laid in Rajya Sabha on 17.12.1996.*



LOK SABHA SECRETARIAT  
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**RAILWAY CONVENTION COMMITTEE  
(1996)**

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*Chairman*

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## INTRODUCTION

1, the Chairman of the Railway Convention Committee (1996), having been authorised by the Committee to submit the Report on their behalf, present this First Report on Action Taken by Government on the recommendations contained in the Tenth Report of Railway Convention Committee (1991) on 'Progress of Modernisation Programme in Railways including Energy Conservation Measures'.

2. The Tenth Report of the Railway Convention Committee (1991) was presented to Lok Sabha on 24th August, 1995 and laid on the Table of Rajya Sabha the same day. It contained 23 observations and recommendations. Action Taken Notes on all these recommendations and observations were received from the Ministry of Railways on 26th February, 1996. The Committee considered the replies of the Government at their sitting held on 12th December, 1996.

3. The Committee considered and adopted the Draft Report at their sitting held on 12th December, 1996. The Minutes of the sitting form Part II of the Report.

4. An analysis of action taken by the Government on the recommendations contained in the Tenth Report of the Railway Convention Committee (1991) is given at Appendix. It would be seen therefrom that out of 23 recommendations made in the Report, 14 recommendations i.e. 60.86% have been accepted by the Government. The Committee do not desire to pursue 3 recommendations i.e. 13.04% in view of the replies furnished by the Ministry. The replies have not been accepted in respect of one recommendation i.e. about 4.34%. In respect of 5 recommendations i.e. 21.73% the final reply of the Government is still awaited and the Ministry have been requested to furnish the same expeditiously.

NEW DELHI;  
December 12, 1996

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Agrahayana 21, 1918 (S)

MANORANJAN BHAKTA  
Chairman,  
Railway convention Committee.

## Chapter I

### REPORT

This Report of the Committee deals with the Action Taken by the Government on the observations and recommendations contained in their Tenth Report (Tenth Lok Sabha) on 'Progress of Modernisation Programme in Railways including energy conservation measures'. The Committee's Tenth Report was presented to Lok Sabha on 24 August, 1995. In all, it contained 23 observations and recommendations. Action Taken notes on all these observations and recommendations were received from the Ministry of Railways (Railway Board) on 26 February 1996.

2. Replies to the recommendations and observations contained in the Report have broadly been categorised as under:

- (i) Recommendations/Observations which have been accepted by Government:  
Paras 1.99, 1.100, 1.103, 1.108, 1.109, 1.110, 1.111, 1.114, 1.116, 1.117, 1.118, 1.119, 1.120 & 1.121.
- (ii) Recommendations/Observations which the Government do not desire to pursue in view of the Government's replies:  
1.101, 1.106 & 1.113.
- (iii) Recommendation/Observation in respect of which reply of the Government has not been accepted by the Committee and which requires reiteration:  
1.102.
- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited.  
1.104, 1.105, 1.107, 1.112 & 1.115.

3. **The Committee have found that the language of the replies to the recommendations accepted by the Government is vague and evasive. The Committee would like to have a report subsequently about the implementation of these accepted recommendations with documentary evidence.**

4. **The Committee desire that final replies in respect of the recommendations/observations on which only interim replies have been furnished by the Government should be submitted to them expeditiously.**

5. The Committee will now deal with the action taken by the Government on soem of the recommendations.

#### **Need to give adequate thrust on electrification**

6. **Stressing the need for laying more emphasis to electrification programme during the Eighth Five Year Plan, the Committee had, in para 1.102 of their Report, observed:**

**"The electrification programme envisaged for the Sixth and Seventh Five Year**

Plans were accorded high priority in view of the national considerations. The Committee have observed that there was no shortfall in allocation of funds are asked for by the Railways in these plan periods. However, the electrification was not given the same thrust in the Eighth Five Year Plan."

7. In their reply dated 26 February 1996, the Ministry of Railways have stated as under :

"The allocation of funds and the physical progress of electrification from the VI Plan onwards has been as under:

Plan period	Expenditure (Rs. in crores)		Physical Progress (in route Kms.)	
	Allocation	Actual	Target	Achieved
VI Plan	450	423	2800	1522
VII Plan	1020	961	3400	2812
1990-91	230	233	1040	831
1991-92	235	231	675	726
VIII Plan	1350	-	2700	-
1992-93	235	235	500	479
1993-94	280	278	600	505

It is relevant to mention that the outlays for railway electrification are provided entirely from the budgetary support which has been dwindling over the years from a level of 75% of the total outlay in the V Plan to about 15% in the VIII Plan. The Budgetary support covers not only electrification but also the following plan heads: (i) Externally aided projects (ii) New Lines (iii) Gauge Conversion of Pre-97 vintage (iv) MTP.

In view of the heavy investments required for electrification, the need and justification for electrifying a particular section have to be carefully evaluated, taking into account all the relevant factors such as energy, tariff, capital/operational costs, savings etc. In the VI Plan, a total of 1522 route kilometres were electrified, in the VII Plan 2812 route kilometres were electrified and in the VIII Plan, 2700 route kilometres are proposed to be electrified provided adequate funds are made available."

8. In a subsequent communication dated 5 December, 1996, the Ministry of Railway have furnished the following information in regard to their Electrification Programme:—

Year	Expenditure (Rs. in crores)		Physical Progress (in route Kms.)	
	Allocation	Actual	Target	Achieved
1994-95	284.40	291.57	500	473
1995-96	350.70	350.01	600	609
1996-97	330.70	120.00	634	160
		(Approx. upto 31-10-96)		(upto 31-10-96)

9. The observation made earlier by the Committee that there is no shortfall in allocation of funds as asked for by the Railways was indeed prophetic. As it can be seen from the above table that though the Ministry of Railways, during the first three years of the Eighth Plan, have spent according to the allocation made, but they could not achieve the self-set target. The Committee are constrained to find that the Ministry of Railways except for the year 1991-92, when they had spent Rs. 4 crores less than the allocated funds to achieve their target, have never achieved the same feat again. The Committee feel that the target is fixed by the Ministry out of enthusiasm rather than in accordance with budgetary allocation. The Committee would, therefore, like to know from the Ministry of Railways as to why the target could not be achieved from 1992-93 to 1994-95 even after incurring expenditure in accordance with the budget allocation.

#### Speedy finalisation of power purchase agreement desired

10. Recommending for speedy finalisation of power purchase agreement including tariff structure with NTPC/Ministry of Power the Committee had in paras 1.104 & 1.105 of their Report, inter-alia stated:

"From the material furnished and evidence tendered before the Committee they find that there is no control of the Ministry of Railways over the Electricity tariffs fixed by various State Electricity Boards. The average cost per unit of traction energy varied from Rs. 1.88 to 3.10 in 1994-95. Being a public utility service of national importance, the Railways are, instead of enjoying any benefits, made to pay a rate which is in some cases even higher than industrial tariffs.

In this connection, the Committee have been informed that the Ministry of Railways have taken a decision to approach the Ministry of Power to permit the Central Generating Agencies to sell power directly to the Railways at a cheaper rate. However, the Committee deprecate the lackadaisical manner in which this issue has been taken up at the Railway Board level. The power purchase agreements as well as the tariffs for the power to be supplied by NTPC/NHPC are yet to be finalised. The Committee, therefore, desire that the process of direct power purchase agreement may be finalised speedily so as to enable the Indian Railways to regulate the tariffs for railway traction on an uniform pattern throughout the country."

11. In their reply to the above recommendation of the Committee, the Ministry of Railways stated as under:—

"Though Ministry of Power have permitted Central Public Sector Undertakings to sell power directly to Railways for traction purposes, yet no guiding principles for tariff are indicated. As per the directives of Ministry of Power, the matter concerning the infrastructure and the tariff is to be sorted out directly with the concerned Public Sector Undertaking.

The NTPC authorities were approached to avail of power supply from NTPC on pilot project basis from their switch-yards at Dadri and Auraiya for Delhi-Kanpur section of Northern Railways and also to finalise the power purchase agreement including tariff. NTPC have taken a stiff stand and are proposing to



apply tariff which is also considered as irrational. In addition, they are trying to discriminate Railways from other consumers by offering a very high tariff. They are insisting on application of a totally different tariff to Railways as under:—

- (a) The cost of generation of a particular plant which is the maximum amongst their generating stations, will be the basic cost.
- (b) In addition, the difference in the cost between Uttar Pradesh State Electricity Board tariff charged to Railways and NTPC tariff at which power is sold to UPSEB should be shared by the Railways and NTPC in the ratio of 50: 50, after deducting from the UPSEB's tariff, the annual cost of services per unit for the infrastructure provided by the Railways.

The formula suggested by NTPC is arbitrary and the resultant tariff is discriminatory as between State Electricity Boards and the Railways. Ministry of Power was approached to intervene in the matter so that the question of tariff applicable to Railways may be decided on a proper rationale. Ministry of Power has advised again that the matter related with tariff is to be sorted out with the concerned Public Sector Undertakings.

Since, Railways have to invest a considerable amount for creating infrastructure such as sub-stations, transmission lines, etc. in order to avail of power supply from the grid, this investment would become feasible only if it gives the requisite rate of return. Without a reasonable tariff, this will not be possible. Hence, the matter has been again taken up with the Ministry of Power to have the tariff fixed for power supply from NTPC to the Railways. The matter is being sorted out."

**12. The Committee are surprised to note that the Indian Railways, which is the lifeline of national transport system and whose smooth functioning is of paramount national importance, is being discriminated by the NTPC by offering irrational tariff structure. Even the Ministry of Power has advised that the matter relating to tariff structure be sorted out with the concerned Public Sector Undertakings (PSUs). In this connection, the Committee would like to know the reasons as to why the Railways are given a different footage and are not being treated at par with other industrial consumers. Though the Ministry of Railways have taken up the matter once again with Ministry of Power, the Committee recommend that if the negotiations fail this time, the issue may be taken up to the Cabinet Committee for an early settlement.**

#### **Introduction of 'State-of-Art' Diesel Locomotive Technology desired**

13. Stressing the need for substituting the existing locomotive technology with State-of-Art' technology, the Committee had, in para 1.107 of their Report, *inter-alia* observed:—

"The Committee have also been informed that the Railways are importing 6000 HP 3-Phase 'State-of-Art' Locos technology and the necessary facility for series manufacturing of these locomotives is being provided at Chittaranjan Locomotive Works. They desire to know the latest position' in this regard and are of the firm view that the diesel locomotives technology need also to be upgraded so that the requirement of Indian Railways could be met fully."

14. In their Action Taken Note dated 26 February, 1996 the Ministry of Railways replied as under:—

"Contract No. 95/RSF/466/1 (GP-129) dated 19-10-1995 has been finalised with M/s Electro Motive Division, General Motors, USA for import of high horse power 'State-of-Art' diesel locomotives for freight haulage. This contract includes transfer of technology from the US Firm, so as to enable Indian Railways to take up the manufacturing of high horse power diesel locomotives at Diesel Locomotive Works, Varanasi after augmenting the existing facilities to the extent required."

15. The Committee observe with satisfaction that steps are being taken to upgrade the existing diesel technology by importing high horse power "State-of-Art" diesel locomotives for freight haulage with transfer of technology from M/s General Motors, USA. However, the Committee would like to know further details of this deal such as the total number of locomotives which are being imported, by when the first consignment will arrive and by when the locos will be ready for trial runs and the date by which the technology will be transferred. With regard to series manufacture, the Committee have been informed that it will be done at DLW, Varanasi after augmenting the existing facilities to the extent required. The Committee desire to be apprised of the various measures being taken up for augmentation of facilities at DLW, Varanasi to absorb the imported technology.

Whether an agreement has been signed with M/s General Motors, USA and if so a copy of the agreement be submitted to the Committee in support of the Government's version of terms and conditions.

## **CHAPTER II**

### **RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Para 1.99)**

The Committee note that the challenges before the Indian Railways today are more of a fundamental nature than even before. In spite of the limitations of resources and inherent uncertainties in long term planning, the process of rehabilitation, development and building up of an increasingly productive and efficient railway system has to be achieved. The basic approach to be adopted by the Indian Railways for meeting these challenges should be the large scale improvement in productivity of assets and manpower and achievement of high levels of reliability of all equipments. This concept of optimum asset utilisation has assumed the importance in examining the on-going modernisation programmes in Indian Railways.

#### **Reply of the Government**

In order to meet the challenges of a fast growing economy, the Railways have identified improvement in productivity and rehabilitation of assets as key mission areas. During the VIII Plan, apart from capacity generation, the Railways have placed great emphasis on pulling up the arrears in renewal of overaged assets technology upgradation, and improvement in productivity of assets. Considerable progress has been made in track renewals and it is expected that by the end of the VIII Plan, all arrears on the A,B & C routes would be liquidated. That there has been improvement in productivity of the system is reflected in the fact that the operating ratio has improved from 92% in 1990-91 to 82.6% in 1994-95.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

#### **Recommendation (Para 1.100)**

The Committee feel that in order to sustain the modernisation efforts in Indian Railways, upgradation of the existing technologies has become almost imperative. It is therefore necessary for the Indian Railways to make tremendous technological upgradation in areas such as electrification, rolling stock, track renewal, signal and telecommunication system, computerisation etc. which would enable the Railways to improve their quality of service, conserve energy, reduce pollution, ensure safety and provide other necessary amenities to the passengers.

#### **Reply of the Government**

The views of the Committee have been noted. The upgradation of technology in various areas of Railway working, including those specifically mentioned by the Committee, is a constant endeavour. Efforts are made to bring about improvements through judicious use of allocable resources.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

### Recommendation (Para 1.103)

The Committee are constrained to find that only 984 route kilometres could be electrified in the first two years of the Eighth Five Year Plan and the target fixed for 1994-95 was only 500 route kilometres. The Committee would require the Ministry of Railways to achieve the target of electrification of 2700 route kilometres during the Eighth Five Year Plan and that the production capacity for electric locomotives need also to be augmented. The Ministry of Railways should also identify the routes which are likely to be taken up for electrification during the Ninth Five Year Plan.

### Reply of the Government

During the first three years of VIII Five Year Plan 1457 RKMs have been electrified. Railways plan to achieve the target of VIII Plan of 2700 RKMs. Electrification of 650 RKMs is planned for 1995-96 a similar level is also being planned for 1996-97.

Exercise for identifying the routes which are likely to be taken up for electrification during the IX Five Year Plan is already on hand. Some routes have already been identified & some more are under survey.

The manufacturing capacity of CLW is already enhanced to 130 locos/year and is keeping pace with the additional requirements due to electrification levels planned.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

### Recommendation (Para 1.108)

Keeping in view the transport requirements of the Railways, the Planning Commission agreed for procurement of 1,20,000 wagons during the Eighth Five Year Plan. However, the Committee find that the Ministry of Railways had further reduced it to 81,000 wagons. The Committee desire that the Ministry of Railways should endeavour to acquire 81,000 wagons during the Eighth Five Year Plan and place orders with the wagons Manufacturing Units well in time so that they may not starve for orders.

### Reply of the Government

Wagon acquisition is need based and related to the transport output and efficiency of utilization. The actual growth in the transport output during the first 3 years of the VIII Plan fell far short of the original projections mainly due to drop in leads, which accounted for the reduction in the requirement of wagons. However, considering the present buoyancy of traffic demand, a review of the wagon requirements was done in July '95 and the total acquisition for the VIII Plan revised upwards to 99,509 wagons.

The position with regard to BG wagons acquired during the first 3 years of the VIII Plan is given below:—

Year	No. Procured (in F.Ws.)
1992-93	25661
1993-94	19455
1994-95	10575 (plus 1425 ordered but could not be supplied during the year.)
Total	55691

In the current financial year, *i.e.* 1995-96, it is proposed to acquire 19,000 wagons (FWs), excluding the orders under 'Own Your wagon' Scheme. The Annual Plan for 1996-97 is under finalisation and it is expected at present that about 25,000 wagons will be procured, apart from the acquisition through "Own Your Wagon" Scheme.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

**Recommendation (Para 1.109)**

There is also a need to upgrade the design and technology used in wagon Industry. The Committee therefore, desire RDSO, Lucknow to look into this aspect so that increasing trailing loads on most of the important routes could be increased.

**Reply of the Government**

During the last three years RDSO have designed optimised Bogie Covered Wagon 'BCNA' and Coal Hopper Wagon "BOBRN". This has a potential for increase of 243 t in trailing load in case of "BCNA" rake and 406 t in case of "BOBRN" rake as compared to rakes of earlier versions.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

**Recommendation (Para 1.110)**

From the information supplied by the Ministry of Railways, the Committee have found that a tender for modern coaches, with Transfer of Technology which are lighter, reliable in operation and requiring lesser maintenance, was under consideration of the Ministry of Railways. The Committee would like to know the latest position in this regard. They need hardly to emphasise that continuous efforts should be made to improve the existing design of coaches indigenously.

**Reply of the Government**

In pursuance of R.C.C's recommendation, the Committee would be pleased to know that a letter of intent for import of 24 modern all metal light weight coaches with transfer of technology, has been placed on M/s. LINKE-HOFMAMM-BUSCH, Germany, a subsidiary of GEC, Alsthom.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

**Recommendation (Para 1.111)**

As regards the upgradation of design and technology of Electrical Multiple Units (EMUs), the Committee have been informed that the Ministry of Railways have approved the improvements in the existing design such as incorporating provision of Chopper Control Equipment in lieu of resistances for starting purposes in DC EMUs, use of stainless steel in lieu of mild steel for the corrosion prone sections, development of 3 phase drive for AC EMUs etc. The Committee would like to know the total expenditure incurred so far on this account and the total amount on energy savings etc.

**Reply of the Government**

Four rakes (12 motor coaches) fitted with chopper control equipment have been commissioned in service. The cost of provision of chopper control equipment is Rs. 5.4 crore. Two more rakes (6 motor coaches) plus two spare motor coaches fitted with chopper control equipment are expected to be commissioned during 1996. The expenditure likely to be incurred on these coaches is Rs. 3.5 crore. Thus total

expenditure on provision of chopper control equipment on six rakes plus two spare motor coaches is of the order of Rs. 8.9 crore.

The energy saving per rake per year is about 11.2 lacs units costing about Rs. 29 lacs at present day tariffs.

For development of 3 phase drive for a.c. EMUs, a developmental order for equipments for one rake has been placed on BHEL at a cost of Rs. 3.42 crore and payments of about Rs. 10 lacs has been made to BHEL against above order.

As regards use of stainless steel in EMU coaches, 20 a.c. EMU trailer coaches have been provided with stainless steel trough floor by ICF and additional expenditure incurred on this account is Rs. 16.45 lacs.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96)]

### **Recommendation (Para 1.114)**

The Committee observe that the workshops are still in the old era notwithstanding the current efforts of modernisation. The Railway Reforms Committee (RRC), 1982 in their Report on Production and Maintenance of Rolling Stock have located few perennial problems afflicting the Railway Workshops. They were of the view that the workshop and Shed Management are primarily out turn oriented, and no proper planning cells are in existence. There is virtually no exposure to contemporary developments in the field of machine tool technology, production systems etc. at any level. Therefore, the RRC emphasized the need for rationalisation, perspective planning, improvement in the material management system, economies of scale etc. to enable the workshops to keep viable lay-outs, plant and equipment and trained man-power.

### **Reply of the Government**

Maintenance workshops over Indian Railway system have been established to undertake the periodical overhauling (POH) of Rolling Stock at specified periodicity. In order to ensure safe and reliable operation of various type of rolling stock, it is essential to liquidate the arisings of POH of the stock which is a function of their holdings. It is for this reason that there has been stress on the quantitative aspect. However, lot of emphasis has also been given to qualitative aspects, managerial systems, modernisation of machinery and equipment and also improving the lay-outs, work processes, work flow, material handling system and productivity as a whole. Some of the important thrust areas are as under:—

#### **Computerisation of Workshop Management Information System**

With the introduction of computers in 14 workshops, various activities associated with Production Planning and control, material management, rolling stock and machinery and plant maintenance have been computerised. Computerisation work has been further sanctioned for five other workshops to cover these activities.

#### **Introduction of modern machine tools**

During the last decade, number of modern machinery and plant with latest design and sophisticated technological features like Numerical Control (NC), Computerised Numerical Control (CNC), Plasma and Laser based working systems have been

installed in various workshops both for manufacture of spares and for repair of the components/assemblies during overhauling of stock. This process to acquire high productivity machines giving quality output continues through the annual Machinery and Plant Programmes.

### **Improvement in work process**

An Indo-German project is currently under process at two workshops of Indian Railways to study and improve the existing work processes, lay-outs, work flows and material management system. Recommendations emerging through this project are being implemented at other workshops also, as a number of them aim towards design and quality improvement. This project is also developing a model 'workshop costing system' in association with Tata Consultancy Services.

### **Quality audit of workshops**

At present lot of emphasis is being given to quality improvement. In pursuance of this, Quality Audit of maintenance activities has been completed at major workshops. Quality Audit Reports have provided valuable feed back to workshops and remedial actions are being taken.

### **Quality and productivity improvements**

In 1995-96 Railway Budget, works amounting to Rs. 70 crores have been sanctioned for conversion of 4 MG workshops to BG, rationalization of activities, inventory management and quality and productivity improvement of another 5 BG Railway Workshops. While implementing these works, emphasis is being given to incorporate improvement in lay-outs, attain better material handling facilities, replace old and deratated machines with modern updated machines for specific application including those required for inspection and testing.

The above steps will make further significant contribution towards updating and modernising workshop facilities and enable them to function like Modern Industrial Units.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

### **Recommendation (Para 1.116)**

With the introduction of high pay-load bogie, wagons, gradual replacement of steam by diesel/electric locos and the increase in both the number and load of goods/passenger trains, the track has been extensively subjected to heavier axle loads and speeds, even though in differing degrees. The Committee are of the view that maintenance of track to a high standard and their periodic renewal are essential, not only to promote safety, but also to effectively handle the growing profile or rail-borne traffic. The Committee have been informed that as per the present action Plan of the Ministry of Railways it is proposed to liquidate track renewal arrear in A, B and C routes in the Eighth Plan itself and D and E routes by the end of Ninth Plan. Similarly, out of the identified length of 2416 Kms. of weak formation. 2159 Kms., have been rehabilitated by 30.4.1994. The Committee desire that every effort should made to liquidate track renewals during the Eighth Plan and to rehabilitate remaining weak formation.

### Reply of the Government

For effectively handling growing profile of rail-borne traffic following action has been taken to improve the maintainability or track and safe operation:—

- (i) Upgradation of track structure is being continuously undertaken. The length laid with concrete sleepers has increased from 8,600 Kms. to 25,500 Kms. and the length with 60 Kg rails from 2,148 Kms. to 8,600 kms. in the period from 31.3.90 to 31.3.95.
- (ii) The laying of track structure annually is being increasingly mechanised. The track laid with mechanical methods had improved from 737 Kms. in 1990-91 to 1250 Kms. in 1995-96 proposed. Efforts are being made to improve this further.
- (iii) Almost the entire track is now being maintained mechanically and for this purpose Tie-tampers, Points and Crossings Tampers, Portal Cranes, Track Relaying trains etc. are deployed, on relayings and constructions. The rate of progress of work through mechanical methods is very much higher than through manual means.

For monitoring the quality of track maintenance, high speed track recording cars are being employed. Further, state of the art equipment is being acquired to run these cars upto speeds of 160 kmph as a part of high speed trains.

Action has also been taken for fulfilling other objectives as follows:—

- (a) Adequate provision of funds is being made during 1995-96 and 1996-97, the last 2 years of the VIII Plan with the objective to liquidate all overdue renewals on A, B and C routes during the VIII Plan itself. With this only about 1950 Kms. of overdue renewals on D and E routes will be left to be taken up during the IX Plan.
- (b) A total of 191 Kms. of formation rehabilitation work is remaining to be completed which is targetted for completion in the current year. Strict field monitoring is also being done to ensure the vacancy of the formation treatment for getting optimum benefits.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96)]

### Recommendation (Para 1.117)

Signalling promotes safety in train operation. It is an essential means for optimising the usage of rolling stock and track capacity. Modernisation of signalling and telecommunication system was initially felt in 1962 after recommendations of Kunzru Railway Accidents Enquiry Committee, 1962. However, actual thrust for modernisation started from Sixth Five Year Plan itself. Though, the Committee note that there has been an increasing demand for growth of Modern, signalling and telecommunication system on the Indian Railways viz. Panel Interlocking, Multiple Aspect Colour Light Signalling, Track Circuiting, Optical Fibre Communication etc., yet they feel that such systems have so far been provided only to a limited extent.



### Reply of the Government

Modern Signalling to promote safety in Train operation covers the following types of installations like Provision of Route Relay Interlocking, Panel Interlocking, Colour Light Signalling, Automatic Block Signalling, Auxiliary Warning System etc. As on 31.3.1995, modern signalling system as above has been provided as under:—

(i) Provision of RRI	-	166 stations
(ii) Provision of Panel Interlocking	-	1396 stations
(iii) Provision of Automatic Block Signalling	-	2724 track kms.
(iv) Provision of Auxiliary Warning System	-	313.62 kms.
(v) Track circuiting from FM to FM on run through lines	-	2866 stations
(vi) Track circuiting from FM to BSL on trunk route and main lines	-	1285 stations
(vii) Provision of colour light signalling	-	2378 stations

Keeping in view the State-of-the-art technology, Solid State Interlocking is now being provided in lieu of Panel Interlocking. Modernisation of other signalling assets is a continuous process and is being done as and when the assets are due for replacement.

Optical Fibre Communication system has already been commissioned on the following sections of the Indian Railways:—

<i>Section</i>	<i>Railway</i>	<i>Route kms.</i>	<i>Date of commissioning</i>
1. Churchgate-Virar	CR	60	Dec., 1988
2. Nagpur-Itarsi	CR	298	June, 1989
3. Nagpur-Durg	SER	263	June, 1989
4. Itarsi-Bhusawal	CR	301	March, 1990

In addition, the work is in progress on the following sections of Indian Railways:—

<i>Section</i>	<i>Railway</i>	<i>Route kms.</i>
1. Bombay VT-Kalyan	CR	60
2. Bhusawal-Manmad	CR	185
3. Allahabad-Mughalsarai	NR	175
4. Tatanagar-Chakradharpur	SER	60

It has now been decided by the Railway Board that in all future RE projects as well as in sections where copper cable is due for replacement Optical Fibre communication system will be provided.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96)]

#### Recommendation (Para 1.118)

One of the factors responsible for accidents including derailment and collusion is poor signalling and telecommunication system. The Committee, therefore, desire that the main thrust of the Indian Railways should be on modernisation of signalling

and telecommunication system. As the Indian Railways are not capable of taking care of the modernisation efforts with its present state of R&D base, the Committee recommend that the Indian Railways should approach Public Sector Undertakings, Universities, I.I.Ts and other Institutes of excellence for providing R&D facilities.

### **Reply of the Government**

In order to provide a simple, reliable and cost-effective emergency communication system between Driver and Guard and the Driver/Guard and the nearest station, trials were conducted in collaboration with M/s Bharat Electronics Ltd.,—a public sector undertaking—on Western and South Eastern Railways. Based on the outcome of trials, out-of-turn works have been sanctioned during Works Programme 1995-96 at a cost of about Rs. 62 crores for providing 'Simplex' Emergency Train Radio Communication system on all electrified sections of the Indian Railways. Other sections will be covered subsequently in Phase II of the Programme.

For Signalling and Telecommunication, most of the R&D activities are undertaken by Research Designs and Standards Organisation at Lucknow working directly under the Ministry of Railways.

Wherever need arises other organisations like IIT are approached for undertaking specific R&D projects. Recently Solid State Interlocking system has been indigenously developed jointly with the help of IIT/Delhi and Department of Electronics and the system is working satisfactorily at Duskheda in Central Railway.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

### **Recommendation (Para 1.119)**

The Committee observe with satisfaction that the computerization came to the rescue of the Railways at a time when the manual system for reservation was threatening to break down with increasing volume of traffic. However, they note that computerized Passenger Reservation System has not been able to check fraud as the CPRs has never been a fool proof system. The increasing incidence of fraud in computerized reservation tickets have questioned the very rationale of the system, notwithstanding. The Committee, therefore, desire the Indian Railways to take steps to reduce the overhead cost. The Committee also feel that given the present state of resource crunch in the Indian Railways, such capital intensive projects need to have been uniformly studied at the central level so as to determine economic viability and productivity of the system.

### **Reply of the Government**

The computerised reservation system of the Indian Railways has provided the major benefit of precluding the possibility of fraud in the preparation and issue of reserved tickets. Access to the computer system is very strictly controlled and security features have been built into the software to prevent unauthorised access and tampering with records. The critical importance of these aspects has once again been stressed on the zonal railways.

The main problem arises on account of the unscrupulous activities of the anti-social elements who buy tickets in fake names and transfer them at a premium.

Checks have been conducted by Commercial and Vigilance teams and cases of transferred tickets were detected during the last four years as under:

<i>Years</i>	<i>Cases detected</i>
1992	9476
1993	7220
1994	3751
1995	2874

(Jan. to August)

Due to the fact that computerised reservation facilities are capital intensive, the target fixed in 1994-95 was to provide these facilities only at locations having a reservation workload of 300 and above reservation related transactions per day, except at a few selected locations where certain other aspects were also kept in view such as the town being a state capital, a renowned place of pilgrimage or tourist interest or major industrial town. Besides, keeping in view the need for effecting economy in expenditure, approval for new works is given only at the Railway Board's level after the cost estimates are thoroughly scrutinised. Sustained efforts were made in 1994-95 and the current year to keep the expenditure on the provision of the PRS facilities to the bare minimum.

[Ministry of Railways (Railway Board) OM No. 91/RCC/206/11, dated 26.2.96]

#### **Recommendation (Para 1.120)**

Indian Railways is the biggest employer in the country with 16,23, 158 employees and 83,000 casual labourers as on 31.3.1994. Although in house programmes are developed to keep the officers in touch with the latest technological and managerial development, yet the Committee have found that the present 5 Centralised training institutes and 160 training centres are too meagre to meet their training efforts. As introduction of new technology as well as upgradation of existing ones is imperative for the modernisation of the Indian Railways, the Committee desire that the Indian Railways should draw perspective plan to provide appropriate training to the railway employees for the purpose. Simultaneously, necessary steps should also be taken to retrain the staff rendered surplus on account of change of technology so that this staff could be suitably re-deployed.

#### **Reply of the Government**

Railway administration is fully aware of the growing training needs of the railway staff owing to upgradation of technology, higher expectations of travelling public and operational changes. They have been effectively dealt with as under :—

##### **1. Training Institutes**

The training institutes have been provided with audio-video aids and primitive learning aids like blackboard and chalks are being dispensed with. The methodology of training has changed from lecture based to participative learning or learner oriented by way of case discussions, group exercises, etc. Course contents of the various programme are considered by Working Group members who are SAG level officers of concerned departments from Zonal Railways. The course programme is modified/ approved keeping in view the changing technology and the attitudinal changes required in the work force.

## 2. Training Aids

Instructions to this effect have been issued to training centres who are required to have the following minimum Training Aids :—

- (a) OHP & Screen in every class room
- (b) One Video Camera
- (c) One TV & VCR
- (d) One Projection TV
- (e) One Photocopy machine
- (f) One Resograph machine
- (g) One PC-AT 486 DS 66MHZ or Pentium and scanner and Laserjet or inkjet printer
- (h) Public address System
- (i) White Board & marker pens in each class room
- (j) Flip charts in each class room
- (k) Transparencies with OHP marker

## 3. Course material

The training materials are regularly updated incorporating the latest rules and technological changes and are given to the participants either in English or in the regional language wherever possible.

## 4. Instructors

Adequate instructions exist for selection of persons of high calibre and having aptitude as Instructors and for undergoing the "Training of Trainers Course" while being posted to the Training institutes. The instructors posted in the Training institutes get "Training Allowance" at the rate of 15% of the basic pay.

It is felt that with these upgradations of training establishment the existing numbers of institutes will serve the purpose.

## 5. Training modules

Training modules, Designed by specially constituted working groups from various Depts. have been introduced. A comprehensive training needs analysis of all categories of staff of each department is done through series of meetings of Senior Administrative Grade officers of that department who are nominated members of these working groups. Based on the analysis, a modular approach has been adopted for imparting training to the staff catering to all functional requirement in day to day workings. Staff on the railways are properly trained by giving them suitable courses so that they get acclimatised in view of the changing work environment being inducted in the Railways due to modernisation. Development of formal modules of training and course contents with a view to make the training more comprehensive, is already in hand.

## 6. Redeployment & Retraining

Instructions for redeployment of surplus staff by retraining, if necessary, already exist and from time to time the same is reiterated. The redeployment of the surplus staff has to be given the highest priority and their absorption will have precedence

over all other modes of recruitment including screening of casual labour and direct recruitment and wherever necessary, age relaxation are granted according to rules. During the period 1.4.95 to 31.12.95, 4504 staff have been redeployed. Various conversion courses viz. Steam to Diesel, Diesel to Electric, etc. are organised on the railways suiting to their requirements/environment.

[Ministry of Railways (Railway Board O.M. No. 91/RCC/206/11, dated 26.2.96)]

#### **Recommendation (Para 1.121)**

The Committee note that the energy conservation is an issue of global concern since limited fuel resources are being rapidly exploited. For our developing economy which itself is not self-sufficient in petroleum products, it is important to save on energy. The emphasis on railway electrification and rapid phasing out of steam locomotives has enabled Railways to establish the falling trend in the specific energy conservation. In spite of the fact that the Railways are vigorously pursuing various measures for better utilisation of fuel for traction purposes and for controlling energy consumption in other sector, continuous efforts have not been made to arouse awareness for energy conservation. The Committee are also concerned to note that the overall spending of the Indian Railways on the publicity campaigns for energy conservation have come down from Rs. 1.97 lakhs in 1991-92 to Rs. 1.30 lakhs in 1992-93. The Committee desire that more funds should be allocated for publicity campaigns for energy conservation. The Ministry of Railways should also make vigorous efforts to tap the solar energy for their consumption so that the limited fuel resources available with the country would be utilised for a longer period.

#### **Reply of the Government**

Recommendations made by R.C.C. in their 10th report have been accepted. Efforts are being made to give wide publicity for energy conservation. Zonal Railway/ Production Units had been advised to organise 'Oil Conservation Week' in which apart from publicity campaigns, seminars and workshops were organised at depots level to create energy conservation consciousness.

Vigorous efforts are being made on the Railways for tapping of Solar Energy within available funds. Solar energy has been used in the following fields :—

1. Electrification of stations
2. Lighting of signals.
3. Solar water boilers.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated, 26.2.96]

## CHAPTER III

### RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

#### **Recommendation (Para 1.101)**

The Indian Railways are the main artery of the nation's inland transport, extending over 62,462 route kilometres of the three traction systems, *i.e.*, steam, diesel and electric. The Committee find that about 49% of freight is hauled by diesel and the remaining predominantly by electric traction. 91% of passenger services are operated by diesel or electric power. The percentage of train kilometres moved by electric traction increased from 2% in 1950-51 to 28.4% in 1993-94 in respect of loco traffic and from 5% to 13.5% in respect of EMU traffic during the same period. Railway electrification has also assumed national importance because of the growing emphasis on conservation and substitution of oil energy. Every Rs. 100 crores invested on electrification results in a saving of approximately Rs. 27 crores worth of diesel oil at the prevailing prices. As a consequence of heavy industrial and economic development in the country the traffic on the railways has been growing rapidly and the originating freight tonnage has been 358.72 million tonnes in 1993-94 and 380 million tonnes in 1994-95 (projected). The Committee find that the railway electrification could not get that much importance in the Eighth Plan as compared to the earlier Sixth & Seventh Plans as could be seen from the fact that the originating target of electrification of 3500 kilometres during the Eighth Plan has been revised to 2700 Kms. owing to constraint of funds.

#### **Reply of the Government**

The overall outlay of Eighth Plan had to be reduced from Rs. 45,600 crores to Rs. 27,202 crores with corresponding reduction in the outlay for electrification from Rs. 1750 crores to Rs. 1350 crores.

Reduction in outlay has been not only in "Electrification" but in all "Plan Heads".

Though "Electrification" is a continued thrust area for Railways re-reduction in target could not be helped on account of overall resource constraint.

[Ministry of Railways (Railway Board) O.M. No.-91/RCC/206/11 dated 26.2.96]

#### **Recommendation (Para 1.106)**

The Committee note that there were 7202 locomotives with the Indian Railways as on 31.3.1994 and the import content in the Railway Production Units of locomotives as percentage of total production costs, excluding proforma charges varied from 4.8% to 8.63%. The Committee desire that all out efforts must be made by the Railway Production Units to meet the 100% requirement for manufacturing of locomotives indigenously without resorting to further imports.

### **Reply of the Government**

Indian Railways have been making continuous and persistent efforts for complete indigenisation of loco manufacture. It would, however, be appreciated that indigenisation is a long drawn out process. There are certain hard core items, like crankshafts, loco wheels, etc. which continue to be on the import list. Indigenous development of these items is not economically viable as setting up manufacturing facilities involve heavy capital investment and off-take is small which does not justify the investment. However, efforts are continuing to achieve complete indigenisation.

To encourage local industry to set up indigenous manufacturing facilities for items which are still on the import list, Indian Railways have taken following steps :—

- (i) Quantities are clubbed and prospective entrepreneurs are given a commitment up to the extent of 100% requirements for the first year, 80% for the second year and 60% for the third year, provided the prices are reasonable.
- (ii) Clauses relating to levy of liquidated damages are dispensed with in deserving cases.
- (iii) Very liberal and positive view is taken in cases of extension of delivery period and price escalation for development orders.
- (iv) Advance payment in deserving cases, is also arranged.

[Ministry of Railways (Railway Board) OM No. 91/RCC/206/11 dated 26.2.96]

### **Recommendation (Para 1.113)**

The Committee strongly feel that the rolling stock manufacturers of Indian Railways must step up their research and development work for developing appropriate design to tap the emerging export potential. The Committee during their visit to DLW, Varanasi were also informed about the dismal state of in-house R & D facilities of the plant. As poor R & D facilities hamper both the efficiency and productivity of the Indian Railways, the Committee recommend that the Ministry of Railways must take due care to enable the Production Units to absorb the latest State-of-Art technology in their own field of Production and Maintenance.

### **Reply of the Government**

The production units under the Ministry of Railways have since made significant progress towards developing appropriate designs to tap the emerging export market. The DLW have established a Design and Development wing under the control of a Chief Design Engineer whose primary objective is to develop designs for locomotives as per the requirements of the customers in addition to designing and testing of various components. The DLW has also recently acquired CAD/CAM facility which will provide a significant fillip to these efforts. As a result of these efforts, DLW is on the verge of supplying 10 diesel locomotives to Bangladesh Railways against an order secured against stiff international competitive bidding. DLW would also be supplying 2 diesel locomotives to Sri Lankan Railways during the current year.

The Integral Coach Factory, Madras has also developed in-house R & D facility. They too, have successfully executed an export order of 15 coaches to Vietnam Railways. In addition, ICF has designed and manufactured 'Palace on Wheels' coaches for Rajasthan Tourism Development Corporation.

The Rail Coach Factory, Kapurthala have successfully designed and manufactured a new high speed coach employing IRY shell and IR-20 bogies fit to run at 160 Kmph. They are now in the process of developing another type of coach employing IRZ shell and IR-30 bogies. They have also successfully designed and manufactured ISO containers for Container Corporation of India. RCF have been accredited ISO-9001 certification which is a true reflection on their design and manufacturing capability.

The Wheel and Axle Plant, Bangalore are in the final stages of acquiring the prestigious AAR (Association of American Railroads) certification which will enable them to export Wheels and Axles to American Rail Roads.

The CLW, Chittaranjan have also manufactured many types of Electric locomotives which were the result of in-house design development efforts. CLW are now busy in absorbing latest state-of-art technology for manufacture of 6000 HP ABB locomotives.

It would thus be seen that the production units have made significant progress towards developing in-house design-development capability and are now actively seeking to enter international market in their respective areas of production. These facilities supplement the facilities for design-development, testing and research already available in the RDSO at Lucknow. RDSO continues to be actively associated with the design-development work by the Production Units.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11 dated 26.2.96]



## CHAPTER IV

### RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### Recommendation (Para 1.02)

The electrification programme envisaged for the Sixth and Seventh Five Year Plans were accorded high priority in view of the national considerations. The Committee have observed that there was no shortfall in allocation of funds as asked for by the Railways in these Plan periods. However, the electrification was not given the same thrust in the Eighth Five Year Plan.

#### Reply of the Government

The allocation of funds and the physical progress of electrification from the Sixth Plan onwards has been as under:—

Plan Period	Expenditure (Rs. in crores)		Physical Progress (in route kms.)	
	Allocation	Actual	Target	Achieved
VI Plan	450	423	2800	1522
VII Plan	1020	961	3400	2812
1990-91	230	233	1040	831
1991-92	235	231	675	726
VIII Plan	1350	-	2700	-
1992-93	235	235	500	479
1993-94	280	278	600	505
1994-95	260	283	500	473
1995-96	390	-	600	-

It is relevant to mention that the outlays for railway electrification are provided entirely from the budgetary support which has been dwindling over the years from a level of 75% of the total outlay in the Fifth Plan to about 15% in the Eighth Plan. The budgetary support covers not only electrification but also the following plan heads; (i) Externally aided projects (ii) New Lines (iii) Gauge Conversion of pre-97 vintage (iv) MTP.

In view of the heavy investments required for electrification, the need and justification for electrifying a particular section have to be carefully evaluated, taking into account all the relevant factors such as energy, tariff, capital/operational costs savings etc. In the Sixth Plan, a total of 1522 route kilometres were electrified, in the

**Seventh Plan 2812 route kilometres were electrified and in the VIII Plan, 2700 route kilometres are proposed to be electrified provided adequate funds are made available.**

**[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-02-96]**

## CHAPTER V

### RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### **Recommendation (Paras 1.104 & 1.105)**

From the material furnished and evidence tendered before the Committee they find that there is no control of the Ministry of Railways over the Electricity tariffs fixed by various State Electricity Boards. The average cost per unit of traction energy varied from Rs. 1.88 to 3.10 in 1994-95. Being a public utility service of national importance, the Railways are, instead of enjoying any benefits, made to pay a rate which is in some cases even higher than industrial tariffs.

In this connection, the Committee have been informed that the Ministry of Railways have taken a decision to approach the Ministry of Power to permit the Central Generating Agencies to sell power directly to the Railways at a cheaper rate. However, the Committee deprecate the lackadaisical manner in which this issue has been taken up at the Railway Board level. The power purchase agreements as well as the tariffs for the power to be supplied by NTPC/NHPC are yet to be finalised. The Committee, therefore, desire that the process of direct power purchase agreement may be finalised speedily so as to enable the Indian Railways to regulate the tariffs for railway traction on a uniform pattern throughout the country.

#### **Reply of the Government**

Though Ministry of Power have permitted Central Public Sector Undertakings to sell power directly to Railways for traction purposes, yet no guiding principles for tariff are indicated. As per the directives of Ministry of Power, the matter concerning the infrastructure and the tariff is to be sorted out directly with the concerned Public Sector Undertakings.

The NTPC authorities were approached to avail of power supply from NTPC on pilot project basis from their switch-yards at Dadri and Auraiya for Delhi-Kanpur section of Northern Railway and also to finalise the power purchase agreement including tariff. NTPC have taken a stiff stand and are proposing to apply tariff which is also considered as irrational. In addition, they are trying to discriminate Railways from other consumers by offering a very high tariff. They are insisting on application of a totally different tariff to Railways as under:—

- (a) The cost of generation of particular plant which is the maximum amongst their generating stations, will be the basic cost.
- (b) In addition, the difference in the cost between Uttar Pradesh State Electricity Board tariff charged to Railways and NTPC tariff at which power is sold to UPSEB should be shared by the Railways and NTPC in the ratio of 50:50, after deducting from the UPSEB's tariff, the annual cost of services per unit for the infrastructure provided by the Railways.

The formula suggested by NTPC is arbitrary and the resultant tariff is discriminatory as between State Electricity Boards and the Railways. Ministry of Power was approached to intervene in the matter so that the question of tariff applicable to Railways may be decided on a proper rationale. Ministry of Power has advised again that the matter related with tariff is to be sorted out with the concerned Public Sector Undertakings.

Since, Railways have to invest a considerable amount for creating infrastructure such as sub-stations, transmission lines, etc. in order to avail of power supply from the grid, this investment would become feasible only if it gives the requisite rate of return. Without a reasonable tariff, this will not be possible. Hence, the matter has been again taken up with the Ministry of Power to have the tariff fixed for power supply from NTPC to the Railways. The matter is being sorted out.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11 dated 26-2-96]

#### **Recommendation (Para 1.107)**

The Committee have also been informed that the Railways are importing 6000 HP 3-Phase 'State-of-Art' Locos technology and the necessary facility for series manufacturing of these locomotives is being provided at Chittaranjan Locomotive Works. They desire to know the latest position in this regard and are of the firm view that the diesel locomotives technology need also to be upgraded so that the requirement of Indian Railways could be met fully.

#### **Reply of the Government**

Contract No. 95/RSF/466/1(GP-129) dated 19.10.1995 has been finalised with M/s Electro Motive Division, General Motors, U.S.A. for import of high horse power 'State-of-Art' diesel locomotives for freight haulage. This contract includes transfer of technology from the US Firm, so as to enable Indian Railways to take up the manufacturing of high horse power diesel locomotives at Diesel Locomotive Works, Varanasi after augmenting the existing facilities to the extent required.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11 dated 26-2-96]

#### **Recommendation (Para 1.112)**

The Ministry of Railways have informed the committee that they have taken steps to tap export potential of rolling stock. The cumulative value of exports upto the end of March, 1994 was Rs. 102.49 crores. The exports included M.G./Airconditioned and ordinary sleeper coaches, M.G./N.G. diesel locos and reconditioned freight stock to Vietnam, Nepal, Bangladesh and Myanmar Railways. Offers have also been made to a number of countries in South-East-Asia and Africa for supply of coaches and locomotives. However, the committee strongly feel that no conscious effort has been made to develop and nurse these markets by Indian Railways so far. In this connection, the committee were informed during their study Tour to Diesel Locomotive Works, Varanasi that the Production Units do not have direct contact with the buyers for which the report about the performance of the exported locos is not available to them. Instead, RITES and IRCON have been keeping direct contact with the buyers. The Committee are of the firm view that instead of obtaining orders through RITES and IRCON, Railways units should be allowed to take orders directly from the countries. Till a decision in the matter is taken by the Ministry, the committee, feel that a feed

back cell needs to be set up in RITES and IRCON to apprise the Production Units of the performance of their exported locos, thereby enabling them to have a typical kind of business approach in the field of export and marketing. They also urge to have more transparent system in Indian Railways in the field of export especially at a time when the economic liberalisation demand autonomy to tackle the competitive market forces.

### **Reply of the Government**

Export of rolling stock has been identified as one of the thrust areas.

In order to ensure single Window Clearance and expeditious disposal of export enquiries, an Export Promotion Committee consisting of CRB, FC and MM has been constituted. It has been decided to enter export market both for new & second hand rolling stock (Wagons, Coaches and Locomotives etc.) through aggressive marketing. At present, export of rolling stock/locomotives/spares is handled by RITES/IRCON and Production Units (PUs) are required to furnish basic data regarding manufacturing costs, overheads, proforma charges, etc., to the Board/RITES/IRCON which are then suitably modified on case to case basis depending upon the prevailing market trends. This decision to quote through RITES/IRCON was taken on account of the following reasons:—

- (a) Marketing intelligence and timely information regarding requirements of foreign railways not being available with PUs.
- (b) Inability of PUs (Production Units) to respond immediately including deputing officers for collection of specifications/documents, technical discussions, negotiations, etc., due to administrative and procedural formalities.
- (c) Inability to extend hospitality to the visiting representatives or intending buyers.
- (d) Lack of resources to screen the genuineness of the enquiry to ensure that quotations are given only against actual user demand and not to agents who are only trying to find Indian rates.

Recently, an Export Cell has been formed by RITES for development & marketing of ALCO spares manufactured by DLW/DCW.

In addition to the above, to make a direct dent in the market—both at national & international level—Zonal Railways/Production Units have been allowed to submit direct quotations to non-railway enquiries within the country and Wheel & Axle Plant has been permitted to submit direct quotations for export as well. Further, as advised by the committee, the proposal to allow railway production units to quote directly against export enquiries, is being actively processed and instructions in this regard are likely to be issued shortly. Cumulative value of export upto end of March, 95 is Rs. 104.64 crores.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11 dated 26-2-96]

### **Recommendation (Para 1.115)**

The Railway Convention Committee during their visit to few workshops and Production Units have also found that, as of today, workshops are not geared up to perform their modern role. The modernising efforts in the field of Planning and Management are still found wanting. Even, these Production Units/Workshops do

not have any capability to exploit the export potential of their own products. In the present state of liberalisation and competitive market forces, these workshops and Production Units do not enjoy any freedom in the field of marketing, export etc. Therefore, the Committee reiterate the recommendation of the Railway Reforms Committee and hope that Ministry of Railway will now implement those recommendations which are of paramount importance for the modernisation of Railway Workshops.

### **Reply of the Government**

Since the P. Units/Workshops of Indian Railways do not have direct links/resources in other countries to promote export of rolling stock, therefore, M/s RITES & M/s IRCON had been appointed as the nodal agency to promote export of Rolling Stock & Spares.

In addition Railway Workshops have been authorised to quote directly against non-railway enquiries within the country under the guidance of their respective General Managers. This step will gear up Railway Workshops to enter the field of export later when they have surplus capacity in their line of manufacture.

As far as Production Units are concerned, case is being processed to permit them to quote directly against export enquiries received by them.

[Ministry of Railways (Railway Board) O.M. No. 91/RCC/206/11, dated 26-2-96]

NEW DELHI;  
December 13, 1996  

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Agrahayana 22, 1918(S)

MANORANJAN BHAKTA  
Chairman,  
Railway Convention Committee.

## APPENDIX

(Vide Para 4 of Introduction)

*Analysis of the Action Taken by Government on the Recommendations/  
Observations contained in the Tenth Report of Railway Convention  
Committee (1991)*

I. Total number of recommendations	23
II. Recommendations/observations which have been accepted by the Government ( <i>Vide</i> recommendations at S. Nos. 1. 99, 1.100, 1.103, 1.108, 1.109, 1.110, 1.111, 1.114, 1.116, 1.117, 1.118, 1.119, 1.120 & 1.121)	
Number	14
Percentage to total	60.86%
III. Recommendations/observations which the Committee do not desire to pursue in view of the replies of the Government ( <i>Vide</i> recommendations at S. Nos. 1.101, 1.106 & 1.113)	
Number	3
Percentage to total	13.04%
IV. Recommendations/observations in respect of which the replies of the Government have not been accepted by the Committee and which required reiteration ( <i>Vide</i> recommendations at S. No. 1.102)	
Number	1
Percentage to total	4.34%
V. Recommendations/observations in respect of which final replies of the Government are still awaited ( <i>Vide</i> recommendations at S. Nos. 1.104, 1.105, 1.107, 1.112 & 1.115)	
Number	5
Percentage to total	21.73%

## PART II

### MINUTES OF THE 3RD SITTING OF THE RAILWAY CONVENTION COMMITTEE (1996) HELD ON 12TH DECEMBER, 1996

Third sitting of the Railway Convention Committee was held on Thursday, the 12th December, 1996 in Committee Room 'B', Parliament House Annexe from 1000 hrs. to 1045 hrs.

The following were present:

Shri Manoranjan Bhakta

*Chairman*

#### LOK SABHA

2. Shri Jayanta Bhattacharya
3. Shri Syed Masudal Hossain
4. Shri Chandresh Patel
5. Shri Sartaj Singh
6. Shri Koddikkunnil Suresh

#### RAJYA SABHA

7. Dr. Srikant Ramchandra Jichkar
8. Prof. Vijay Kumar Malhotra
9. Shri Md. Salim
10. Shri S.S. Surjewala

#### LOK SABHA SECRETARIAT

1. Shri R.C. Gupta - *Deputy Secretary*

2. The Committee took up for consideration the Draft Report on 'Action Taken by Government on the recommendations contained in the Tenth Report of Railway Convention Committee (1991) on 'Progress of Modernisation Programme in Railways including Energy Conservation Measures' and adopted the same with the following modification:-

"Sub-para of paragraph number of 8 be numbered as Paragraph number 3 and the subsequent paragraphs be re-numbered".

3. The Committee authorised the Chairman to present the Report to both the Houses of Parliament on 16 December, 1996 after making other consequential changes arising out of factual verification by the Ministry of Railways or otherwise.

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*The Committee then adjourned.*



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